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USTR FOR JASON BUNTIN AND JENNIFER GROVES

E.O. 12958: DECL: 09/17/2017  
TAGS: [ECON](#) [ETRD](#) [EINV](#) [KIPR](#) [SA](#)  
SUBJECT: VISIT OF IIPA PRESIDENT TO RIYADH YIELDS  
TRANSPARENCY PROMISES

REF: RIYADH 284

Classified By: Economic Counselor Robert B. Murphy  
for reasons 1.4 (b) and (d).

11. (C) Summary. Eric Smith, President of the International Intellectual Property Alliance, met with Saudi officials with copyright protection responsibilities from March 9-11. During a meeting with Smith, Minister of Culture and Information Iyadh bin Amin Madani instructed Ministry officials to launch the long-promised "electronic gateway" regarding copyright cases in the next two weeks (reftel). If the electronic gateway is launched and operated as promised, it should provide transparency into the disposition of copyright cases and serve as a deterrent to copyright violators, the music, motion picture and software industries' highest priorities in the Kingdom. End Summary.

12. (U) Eric Smith, President of the International Intellectual Property Alliance, met with Saudi officials with copyright protection responsibilities from March 9-11. Post arranged these meetings through official channels because of the near impossibility of Smith obtaining these meetings without Post assistance, and Econoff accompanied Smith to all official meetings. Smith met with the Ministry of Culture and Information, the Ministry of Commerce and Industry, the Board of Grievances, the Customs Authority, the Ministry of Finance, the Saudi Arabian General Investment Authority, and the Ministry of the Interior.

13. (C) During a meeting with Smith, Minister of Culture and Information Iyadh bin Amin Madani instructed Ministry officials to launch the long-promised "electronic gateway" regarding copyright cases in the next two weeks (reftel). The Minister also accepted Microsoft's offer to provide technical assistance to the project. Abdul Rahman al-Hazzaa, Assistant Deputy Minister for Internal Information, who is charged with seeing the electronic gateway operational, seems determined and has already met with Microsoft to discuss the project. If the gateway is launched and operated as promised, it will provide transparency into the disposition of copyright cases and serve as a deterrent to copyright violators. These are the music, motion picture and software industries' highest priorities in the Kingdom. If the electronic gateway is quickly and effectively implemented it should positively impact Saudi Arabia's Special 301 evaluation.

14. (C) During a meeting with Smith, Mohamad al-Aiyash, Chairman of the IPR Committee, committed to meeting with Microsoft to discuss government legalization of its use of software. Smith's meetings showcased the highly conflicting views of industry and government on government legalization. Industry believes that the government uses mostly copied software, while government officials claim that the SAG's use

of software is over 90% legal. Smith raised legalization with the Director of the National Information Center of the Ministry of Interior (MOI), pointing out that the MOI has only licensed 9,000 copies of Microsoft software despite having many more PCs. The Director explained that the remainder of its PCs are licensed through arrangements with IBM rather than directly with Microsoft, dismissing the suggestion that the MOI runs pirated software. However, al-Aiyash offered Microsoft a chance to convince him "with evidence" that the SAG has a legalization problem. This meeting at least offers an opportunity to break the impasse between industry and the SAG on legalization.

15. (C) Al-Aiyash also shed light on the SAG's failure to move forward with ratifying the World Intellectual Property Organization (WIPO) Copyright Treaty and the WIPO Performance and Phonograms Treaty (the WIPO Treaties). The WIPO Treaties require the protection of all copyrighted materials, but al-Aiyash explained that the SAG would never investigate a case under the WIPO Treaties that involved "offensive material" (pornography). This is problematic because parties acceding to the WIPO Treaties cannot modify their terms. Smith assured al-Aiyash that this concern could be addressed, and offered to make personal contacts with WIPO so that it could do so.

16. (U) Smith reports that Saudi companies with local distribution rights to copyrighted material plan to form an association to lobby the SAG to protect their interests in the Kingdom. This action is in response to both repeated suggestions from officials that local companies cooperate with the government to proactively protect their own interests, and the Minister of Culture and Information's assertion that he is open to meet and work with local industry but that no right holder had ever attempted to

engage him on the issue of copyright protection. Rotana Records, the region's largest music distributor, will largely finance the effort but will not take the lead publicly given that music is controversial in Saudi Arabia (music is technically illegal under the local interpretation of Islamic law).

17. (C) Comment. While at this time Smith's visit seems to have yielded positive results for copyright industry interests overall, his interactions with Saudi officials were sometimes tense. He was frequently late to meetings with ministers, pounded his fist on tables and chairs during several meetings, and accused a particular official of lying in several meetings. His abrasive approach was rude by American standards, and even more so through Saudi eyes. Post is concerned that he may have damaged Post relations with some of these officials, and recommends against arranging meetings through diplomatic channels for Smith in the future. End Comment.  
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